

REMARKS:

Claims 58-60 are presented for examination, with claims 58 and 60 having been amended hereby, claims 55-57 having been cancelled (without prejudice or disclaimer) and claims 1-54 having been withdrawn (without prejudice or disclaimer).

The provisional election made by Barry Schindler during a telephone conversation with the Examiner on October 19, 2006 is hereby affirmed.

Reconsideration is respectfully requested of the rejection of claims 58-60 under 35 U.S.C. 103(a) as allegedly being unpatentable over U.S. Patent Publication US2002/0077955 in the name of Ramm ("hereinafter "Ramm") in view of "Investments: Rochester Fund Manager Touts Virtues of Inverse Floaters" (hereinafter "Heap").

Applicant does not necessarily concur with the Examiner in the Examiner's analysis of the claims and the Ramm and Heap references.

Nevertheless, in order to expedite prosecution of the application, independent claim 58 has been amended hereby to more clearly recite the features that the bond proceeds are from the issuance of the bonds by a bond issuer and that the investing of the bond proceeds is on the part of the bond issuer.

By operating in this manner, the presently claimed invention provides a mechanism wherein the bond proceeds from the issuance of the bonds achieve an aggregate return, over the term of the portfolio, above the aggregate bond yield to which the bond proceeds from the issuance of the bonds would otherwise be restricted by regulation.

Ramm does not teach, show or suggest such investing of bond issuance proceeds on the part of the bond issuer.

In fact, Ramm does not deal with the investing by the bond issuer of bond issuance proceeds but, rather, with the other side of the transaction (i.e., the investing by various parties in the bonds themselves).

This is made clear in Ramm at paragraph 5, for example:

[0005] The present invention is a bond fund that offers investors the option of holding their fund units until one or more maturity dates selected at the time of investment (which are matched by the debt securities held by the fund) or taking early redemption because either the bond (unit) values have increased above the original investment value or the investor decides to cash out for other reasons. The invention also allows the investor a means of utilizing interest proceeds as either

cash for withdrawal or reinvestment in the fund. The fund expenses will be recovered from the interest payments received from the debt securities (bonds). If an investor redeems their fund units in whole or in part before the maturity dates selected, the fund units value will be determined by the existing market values of the units on date of redemption. (emphasis added)

Of note, the interest proceeds referred to above (and referred to by the Examiner at page 4 of the November 2, 2006 Office Action as “bond proceeds”) are proceeds to the investor in the bond and are not the same as the bond issuance proceeds (to the bond issuer) currently claimed.

Therefore, it is respectfully submitted that the rejection of claims 58-60 under 35 U.S.C. 103(a) as allegedly being unpatentable over Ramm in view of Heap has been overcome.

Finally, it is noted that this Amendment is fully supported by the originally filed application and thus, no new matter has been added. For this reason, the Amendment should be entered.

For example, support for the amendments to the claims regarding the bond proceeds being from the issuance of the bonds by a bond issuer may be found at page 1, lines 33-36; at page 3, line 24 to page 4, line 1; and throughout the specification.

Further, support for the amendments to the claims regarding investing the bond proceeds on the part of the bond issuer may be found at page 3, line 24 to page 4, line 1; at page 13, lines 4-14; at page 19, lines 14-22; and throughout the specification.

Favorable reconsideration is earnestly solicited.

Respectfully submitted,
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